

August 21, 2002

5/003/020

Brad D. Palmer, Assistant Field Manager  
Non-Renewable Resources  
Bureau of Land Management  
Salt Lake Field Office  
2370 South 2300 West  
Salt Lake City, UT 84119

re: 3809, U-69380, UT-023, your letter of August 8, 2002

Greetings,


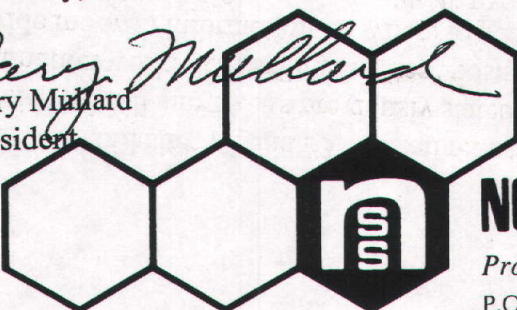
Again, thank you for helping to keep things moving along in a timely way. This is the way business should be conducted and I appreciate your efforts. In order to clarify the issues and options in your letter, I would propose the following; your item # 2 would seem most acceptable for our operation. The west one half of mill site #4 has been restored and would figure into our operation at some future time, but developing and restoring the east one half is the best option for us. Dividing that mill site with a north, south line would work, but please understand that we are serious about restoring every square foot of this property that we will not need within our 3-5 year plan. This means that possibly we can reduce the disturbed area of mill site #4 by another 20% or so.

Regarding mill sites #2 and #3, we can reduce the current acreage needed there after we make the move to the east side of mill site #4. As previously stated, we are in a position to move "FAST" on any proposed reclamation work. Regarding the "tee" posts you spoke of, I am not familiar with the details. If you would provide me with information on where to purchase and specifications per your requirements we could fabricate them. Possibly steel fence posts with 4" PVC would be adequate?

I agree that we need to move forward on current disturbed acreage so that we can get on with our operation and be covered with your bonding requirements for the next three to five year period. I feel that it is important for us to meet again to establish a firm acreage for the disturbed areas and allow us to begin restoration and equipment moves before weather closes us out late October. At your option, we could meet on site or at your office. We have enough maps and surveys by now to pin point everything.

I am leaving this weekend for another business trip to Washington State and B.C. Canada and expect to be back the end of the first week in September. If you would advise on where you wish to meet after the first week in September, I will accommodate your schedule. I am looking forward to meeting with you so that we can move on into the next phase of our business and create a good working relationship for business and government.

Sincerely,

  
Gary Millard  
President  
da 

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